

## FINAL STATEMENT OF REASONS

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

No updates to this section are necessary because no changes to the proposed regulations provided as part of the Notice of Proposed Action.

b) Identification of Documents Upon Which Department Is Relying

No updates to this section are necessary because there have been no additional documents relied upon.

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies. The mandate is not required to be reimbursed pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code or Section 6 of Article XIII B of the California Constitution because implementation of the regulations will result in no costs or savings to local agencies.

There is a mandate upon local agencies implementing these CalWORKs eligibility requirements for AUs with children in public hospitals, driven by AB 419 (Chapter 293, Statutes of 2013), that expands the CalWORKs eligibility for children in public hospitals beyond the two-month limit to match previous temporary absence policy for AUs with children staying in private hospitals for the duration of the medical treatment. The Department has determined there will be no cost or savings to local agencies because this regulation clarifies that children can maintain their CalWORKs eligibility for the duration of their hospital stay regardless whether they are in a public or private hospital. Prior to this regulatory change, children that stay in public hospitals for medical treatment were only allowed up to two months of aid while children in private hospitals are allowed to stay for the duration of the medical treatment and still remain CalWORKs eligible. While the expanded eligibility for this very small population may have a slight impact on the grant costs in CalWORKs, this change does not cause the local agency caseworker to mark the child as not-eligible for the AU, thus no additional workload, costs, or savings to local agencies.

When the regulations were updated with SAR and AR/CO rules, the permanent absence rules were inadvertently not revised. The proposed changes to the permanent absence regulations in this package ensure that the SAR and AR/CO rules regarding the treatment of household composition changes are consistent throughout the entire manual. AR/CO was implemented in 2012 and SAR was implemented in 2013 as authorized by SB 1041 (Chapter 47, Sections 7-10, Statutes of 2012) and AB 6 (Chapter 501, Section 11, Statutes of 2011). There will be no cost or saving to local agencies since any costs associated with these policy changes were factored in at the time of the implementation.

This statement corrects the 45-day public notice and Initial Statement of Reasons local mandate statements, which stated in part "...the mandate is required to be reimbursed...". This requirement no longer is needed because the local agencies and school districts will not experience any costs or savings that may need reimbursement due to these regulations.

d) Statement of Alternatives Considered

In developing the regulatory action, CDSS did not consider any other alternatives, as there were no alternatives proposed.

The CDSS has determined that no other reasonable alternative was identified and brought to the attention of CDSS, that would be more effective in carrying out the purpose for which the regulations are proposed or would be less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

There were no objections or recommendations received during the 45-day public comment period of the Notice of Proposed Action.

e) Statement of Significant Adverse Economic Impact On Business

The CDSS has determined that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, based on the results of the Economic Impact Assessment below.

f) Economic Impact Assessment

No updates to this section are necessary because there have been no changes to the proposed regulations provided as part of the Notice of Proposed Action.

g) Benefits Anticipated from Regulatory Action

No updates to this section are necessary because the anticipated benefits remain unchanged.

h) Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new specific technologies or equipment.